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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/800,535
Filing Date: March 06, 2001
Appellant(s): GROUNDS, GAVIN A.

MAILED
NOV 17 2004
GROUP 3600

David g. Wille
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 9/16/2004

(1) *Real Party in Interest*

A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments after Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

(6) *Issues*

The appellant's statement of the issues in the brief is correct.

(7) Grouping of Claims

The rejection of claims 1-2, 4-6, 8-46, 48, 50 and 52-59 stand or fall together because appellant's brief does not include a statement that this grouping of claims does not stand or fall together and reasons in support thereof. See 37 CFR 1.192(c)(7).

(8) Claims Appealed

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

5,889,863	WEBER	3-1999
5,905,736	RONEN	5-1999

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims: The ground(s) for rejection are reproduced below from the Final Office Action, paper # 10, and are provided here for the convenience of both the Appellant and the Board of Patent Appeals:

Quote: "

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-2, 4-6, 8-13, 15-27, 29-41, 43-46, 48, 50, 52-53, and 58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ronen et al. (US Patent 5,905,736) and further in view of Weber.

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Regarding claim 1, Ronen teaches an apparatus for processing financial transactions (see at least FIG.1, elements "101", a customer terminal, "106 and 107", ISPs, "108", a billing platform consisting of servers "109" and "111" and databases "110" and "112", and col.3, line 23-col.4, line 19) comprising:

- a memory operable to store information and a program, the memory further operable to store a first message indicating the making of a financial transaction, the first message including customer information and transaction information; and

- a processor coupled to the memory, the processor, according to the program, operable (For the above two limitations see FIG.1, "108", a billing platform consisting of servers "109" and "111" and databases "110" and "112". The servers inherently include memories and processors, which are programmed to be operable as per the executable instructions stored in the memories of the servers. Databases "110" and "112" storing information about transactions and customers also correspond to the memory in the claimed limitation. Col.3, line 23-col.4, line 19, which describes all the elements of the system used to execute the method steps of making payments for a financial transaction over a communication network. See also col.4, line 63-col.5, line 12 and Table 2, which discloses storing information about the customer and the transaction "...The billing server also stores ..information for each transaction charged.....Table 2 shows an example.....". Also see col.7, lines 7-15, "The functions performed within the billing platform 108, as described above could be distributed between the transaction server 109 and billing server 111....present invention could be implements with a single server and associated database....". Also, see col.6, lines 20-25.);

- to determine the validity of the customer information (see at least col.5, lines 45-66, "...Before the completion of the transaction, therefore, the accessed ISP. Such as ISP 106, communicates with the transaction server 109 to determine whether that IP address has an established billing entry to which charges for the transaction can be forwarded and recorded.....If such an entry exists on database 110 and a billing mechanism is in place, ISP 106 is signaled over the secured link, to authorize the transaction ".),

- to generate a second message indicating & non- authorization of the financial transaction if the customer information is invalid (see at least col.7, lines 25-31, ".....If no such entry exists for the IP address, at step 215 the ISP receives a non-confirmation signalWithout a confirmation, the user is precluded from proceeding with the transaction),

- to determine whether the financial transaction involves a micro-payment if the customer information is valid,

- cause at least part of the transaction information to be stored in an information storage device for future use and generate a third message indicating authorization of the financial transaction if the financial transaction involves a micro-payment

(For the above two limitations see at least col.4, lines 6-60 and Table 1 which disclose that the transaction server 109 functions to store the transaction information, the break up of the customer's choices and instructions to make payment depending upon the amount of the payment involved in the financial transaction. Col.4, lines 33-36, "...Charges for transactions of a certain type for less than a predetermined amount may be designated for billing to an identified telephone account associated with the user " define the micro-payments. See col.2, lines 21-30, "...Billing to a particular credit card.....etc., can be selectively determined, for example, by the type of the transaction, the amount of the transaction, the identity of the provider, or a combination of these..." which discloses that the system of Ronen determines the type of payment as exemplified in Tables 1 and Table 2 [see at least col.6, lines 20-29] and if the payment as per table 1 is for information services, which are micro-payments, would be billed to a telephone account which corresponds to the generation of third message for authorization of the financial transaction without waiting for any authorization approval.).

Ronen discloses use of credit and debit cards to make payment against financial transactions of buying and selling (see at least Table 1, "...Chase Debit Account.....Master Card Account " and Table 2, " Visa Account.....\$25.00..". Note: Debit and credit card payments are for payments bigger than charges for information services which correspond to micro-payments in Ronen). Ronen does not explicitly disclose generating an authorization request. However, it is old and well known that debit and credit card payments need first generating an authorization request to the acquirer or issuer of the

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debit or credit cards and only on receiving an approval/confirmation number for the amount involved the financial transaction is allowed to proceed.

However, in the field of same endeavor of financial transactions over communication network and payments made through , Weber teaches generating an authorization request if the financial transaction does not involve a micro-payment, that is, using debit and credit cards for payments larger than micro-payments (see at least, col.15, line 59-col.16, line 8, "...FIG.4 depicts the detailed steps of generating and transmitting a payment authorization request.....The basic authorization request is a data area that includes all the information for determining whether a request should be granted or denied.....the party who is being charged, the amount to be charged.....FIG.5A depicts a basic authorization request 510....").

In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen to incorporate the feature of generating an authorization request if the financial transactions are for larger payments through credit and debit cards [larger than micro-payments which are a couple of dollars and/or cents as per a pre-defined threshold corresponding to the charges for information services in Ronen]. Doing so enables to assess the transaction risk and confirm that the payment involved in a financial transaction does not raise the account holder's debt above the account card's limit or an existing balance debit card payments and save the financial institutions from incurring losses.

Regarding claim 2, Ronen discloses further comprising a communication interface adapted to be coupled to a communication link and coupled to the memory, the communication interface operable to receive information from and send information over the communication link (see at least FIG.1, elements "101", a customer terminal, " 103", local exchange circuit, "104", IAP, "105", Internet, "106 and 107", ISPs, "108", a billing platform consisting of servers "109" and "111" and databases "110" and "112", and col.3, line 23-col.4, line 19 which show communication taking place between the users and ISPs and the billing and transaction server. The network elements shown in FIG.1 in Ronen of the servers would inherently require a communication interface adapted to be coupled to a communication link and coupled to the memory/databases to receive information from and send information over the communication link, Internet.

Regarding claim 4, Ronen further teaches that the transaction information comprises the day of initiation of the financial transaction, the amount of the financial transaction, and a customer account identifier (see at least Table 2, "...User ID.....date of transaction...charge-\$0.50...account billed-telephone number.....").

Ronen in view of Weber as applied to claim 1 does not disclose the time of the transaction. However, Weber, in the field of same endeavor of conducting financial transactions online, teaches disclosing the time of the transaction (see at least col.26, lines 3-17, "...txnDate.....Date of transaction....txnTime... Time of transaction....."). In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen to incorporate the feature of disclosing the time of the transaction because for the obvious reasons (i) like information about day, user's Id, amount, etc. information about time of the transaction helps to record the usage of time on the Internet and to charge the customer accordingly, (ii) to analyze and understand user's habits with regards to a particular time when he is more likely to make particular purchases and use this information target advertising products and promotional material.

Ronen in view of Weber as applied to claim 1 also does not teach that the customer information comprises a digital certificate. However, Weber, in the field of same endeavor of conducting financial transactions online, discloses that customer information comprises a digital certificate (see at least col.14, lines 24-43, "...Customer computer system 120 optionally transmits client certificate 240 to merchant computer system 130.....". Client certificate corresponds to the digital certificate in the claim). In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen to incorporate the feature of comprising a customer digital certificate because for the obvious reasons of establishing the authenticity and credentials of the customer/customer computer system.

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Regarding claim 5, Ronen teaches that the customer account identifier represents a credit card account (see at least Table 1, "...MasterCard Account 123-456-7890.....Visa account 999-222-666...", and Table 2, "...Visa account 999-222-666...").

Regarding claim 6, Ronen in view of Weber as applied to claim 4 teaches an apparatus for processing financial transactions and customer information comprising of digital certificates. Ronen in view of Weber further discloses that the digital certificates use a public-key/private-key key pair a random encryption keys RK-0 (see Weber col. 16, lines 38-47), and RK-1 and RK-2 (see at least col.18, lines 22-67).

Ronen in view of Weber as applied to claim 4 shows does not disclose that the digital certificate complies with X.509 standard. Digital certificates could conform to a variety number of standards using public key infrastructure as existing at the time of the applicant's invention was made. It would have been obvious to a person of an ordinary skill in the art to use any available standards for the digital certificates as a design choice. Applicant has not disclosed a specific advantage, use, or solution, or to solve a stated problem in using X.509 standard. One of ordinary skill in the art, furthermore, would have expected Applicant's Invention to perform equally well with using the digital certificates used in Weber. Therefore, it would have been obvious to one of ordinary skill in the art to at the time of the applicant's invention to modify Ronen to obtain the invention as specified in claim 10.

Regarding claim 8, Ronen in view of Weber as applied to claim 1 teaches an apparatus for processing financial transactions wherein a memory stores the customer information. Ronen also discloses that the customer information associated with an account is in good standing to determine the validity of the customer information (see at least col.5, lines 45-57, "...Once an entry is created for the IP address in database of transaction server 109, the user may interact with any desired ISP[s] to complete with one or more transactions....". Note: establishment of IP address for the user by the system corresponds to the fact that the customer's account information is in good standing otherwise the IP address is not confirmed and service is not provided to the user [see FIG.3, blocks "206,207,211, 213, 213, 214,215, 223,224..." and col.7, lines 16-31. Only when IP address is confirmed ISP provides the service otherwise it is denied].

Ronen in view of Weber as applied to claim 1 does not disclose that the processor is further operable to determine whether the customer information is in an appropriate format. However, Weber teaches that the processor is further operable to determine whether the customer information is in an appropriate format (see at least col.23, line 66-col.24, line 15, ".....The normal flow of a transaction is via....into the protocol layer 1516 which is responsible for converting into the appropriate format for transmission to the Gateway for additional processing and forwarding to existing host payment...". Note: Before converting to an appropriate format, determination has to be made if the customer information is in appropriate format.).

In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen in view of Weber as applied to claim 1 to incorporate the feature of determining if the customer information is in appropriate format because to be able to transmit it to and to be accepted by the other host payment systems like acquirers/banks for authorization and approval of the payment against credit cards/debit cards.

Regarding claim 9, Ronen in view of Weber as applied to claim 1 discloses an apparatus for processing financial transactions. Ronen further shows that the processor is further operable to generate a validation request based on the customer information, receive a validation response indicating the validity of the customer information, and analyze the validation response to determine the validity of the customer information (see at least col.7, lines 16-67, ".....In FIG.3, at step 211, the ISP retrieves the user's IP address and requests confirmation that an entry for a session has been created for that IP address on the database of the transaction server.....At step 212, at the transaction server, a database entry for that IP address.....are confirmedAt step 213 the presence of an entry for that IP address is confirmed.....If no such entry exists for the IP address, at step 215 the ISP

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receives a non-confirmation.....Without a confirmation, the user is precluded from proceeding with the transaction.....If an entry for that IP address is confirmed.....At step 223, the ISP receives confirmation from the transaction server and provides the requested service to the user.....").

Regarding claim 10, Ronen in view of Weber as applied to claim 1 discloses an apparatus for processing financial transactions. Ronen further shows that the processor effects the determination of whether the financial transaction involves a micro-payment as a function of at least one of: function of at least one of: whether the amount of the financial transaction is below a predetermined threshold, a frequency of such financial transactions, and an identity of the customer (see at least col.2, lines 16-30, "...The billing server then cross-references the IP address associated with the cost of the transaction received from the ISP.....This account will likely be established by the user prior to execution.....credit card...debit card.....a user's telephone account associated with his or her phone number....[see Table I in col.4].....Billing to a particularcan be selectively determined, for example, by the type of the transaction, the amount of transaction, the identity of the provider, or a combination of any of these....". and also see col.4, line 20-col.5, line 13. Note: billing to a user's telephone account is directed for micro-payments as analyzed in claim 1 above.).

Regarding claim 11, Ronen in view of Weber as applied to claim 1 discloses an apparatus for processing financial transactions. Ronen further shows that the processor is further operable to instruct the memory to store the day of initiation of the financial transaction, the amount of the financial transaction, and a customer account identifier to instruct the memory to store at least part of the transaction information (see at least Table 2, "...User ID.....date of transaction...charge-\$0.50...account billed-telephone number...VISA Account 999-222-666....charge-\$25.00).

Ronen in view of Weber as applied to claim 1 does not disclose the time of the transaction. However, Weber, in the field of same endeavor of conducting financial transactions online, teaches disclosing the time of the transaction (see at least col.26, lines 3-17, "...txnDate.....Date of transaction....txnTime... Time of transaction....."). In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen to incorporate the feature of disclosing the time of the transaction because for the obvious reasons (i) like information about day, user's Id, amount, etc. information about time of the transaction helps to record the usage of time on the Internet and to charge the customer accordingly, (ii) to analyze and understand user's habits with regards to a particular time when he is more likely to make particular purchases and use this information target advertising products and promotional material.

Regarding claim 12, Ronen in view of Weber as applied to claim 1 discloses an apparatus for processing financial transactions. Ronen further shows that the processor is further operable to instruct the memory to store, in a buffer, at least part of the transaction information for each of a plurality of financial transactions that involves a micro-payment (see at least col.4, lines 63-67, ".....The billing server also stores for each user a record that includes information for each transaction charged to that user's account....Table 2, ...User ID.....date of transaction...charge-\$0.50... account billed-telephone number...VISA Account 999-222-666....charge-\$25.00..". Note: The charge of \$0.50 corresponds to micro-payment as already analyzed in claim 1 above.).

Regarding claim 13, Ronen in view of Weber as applied to claim 1 discloses an apparatus for processing financial transactions. Ronen further shows that the processor is further operable to generate a fourth message to settle the financial transaction based on the stored part of the transaction information (see at least col.2, lines 63-66, ".....The user's account on the database of the billing server is then charged according to the billing mechanism established by the user for each type of transaction within the session ". Also, see col.4, line 20-col.5, and line 13. Note: see tables 1 and 2 in columns 4 and 5 for the type of billing mechanism recorded and stored by the user prior to settling the financial transaction.).

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Regarding claim 15, Ronen in view of Weber as applied to claim 1 discloses an apparatus for processing financial transactions. Ronen further shows that the first message includes merchant information (see at least col.4, lines 63-67, " Table 2 shows an example of the type pf transaction-oriented information stored in database 112 for each transaction", and Table 2, "...ISP accessed-Dow Jones.....ISP accessed-Microsoft.....". Note: Information about ISP [s] corresponds to the merchant information); and

the processor is further operable to determine whether the merchant information is valid, generate the second message if the merchant information is invalid, and determine whether the financial transaction involves a micro-payment only if the merchant information is valid (see at least col.8, lines 29-45, "...a mechanism that requires all transactions to pass through a proxy server, such as 601 in FIG.6. That proxy server 601 acts as an agent of the transaction server 109 and every transaction that passes through the proxy 601 to an ISP,is marked. The mark is used by the ISPto bill that IP address.....The transaction server , therefore must check for the presence of that mark.....The relationship between the IP address and the mark is therefore communicated to transaction server 109....to verify each billing request from an ISP relative to that IP address....". Note" checking for the mark in the message from for billing from the merchant corresponds t determining id the merchant information is valid and communicating the relationship between the mark and IP address corresponds to generating a message if the information is invalid. Determining if the transaction involves a micro-payment is already analyzed in claim 1 above.).

Regarding claim 16, Ronen in view of Weber as applied to claim 15 discloses an apparatus for processing financial transactions involving micro-payment and that the first message includes merchant information. Ronen does not teach that the merchant information comprises a digital certificate. However, Weber, in the field of same endeavor of conducting financial transactions online, discloses that merchant information comprises a digital certificate (see at least col.14, lines 8-11, "...Merchant computer system 130 transmits a server certificate 220. If transmitted, server certificate 220 enables customer computer system 120 to authenticate the identity of merchant computer system 130". server certificate 220 corresponds to the digital certificate in the claim). In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen to incorporate the feature of comprising a merchant digital certificate because for the obvious reasons of establishing the authenticity and credentials of the merchant/merchant computer system to the client/client computer system.

Regarding claims 17 and 18, Ronen in view of Weber as applied to claim 15 discloses an apparatus for processing financial transactions involving micro-payment and that the first message includes merchant information. The limitations recited in claims 17 and 18 are already covered and analyzed in claims 12-13 above.

Regarding method claims 19-27, and 29-32, their limitations correspond to the intended functions of the system claims 1, 4-6, 9-13, and 15-18 and are therefore analyzed and rejected as unpatentable over Ronen in view of Weber on the basis of same rationale.

Regarding claims 33-41, and 43-46, their limitations are directed to a set of logic encoded in media for processing financial transactions, the logic operable to perform the operations which correspond to the intended functions of the method claims 19-17, and 29-32, and are therefore analyzed and rejected as unpatentable over Ronen in view of Weber on the basis of same rationale.

Regarding claims 48, 50, 52, 53, & 58, all limitations are already covered and analyzed in claims 1, 2, 4, 10,11,12, 15, 16,17 and 18 above except for the following limitation :

receive an authorization response, and generate a fourth message indicating the authorization status of the financial transaction.

Ronen in view of Weber as applied to claims 1, 2, 4, 10, 11; 12, 5, 16, 17 and 18 discloses an apparatus for processing financial transactions and if the financial transaction does not involve a micro-

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payment, generates an authorization request. Ronen in view of Weber as applied to claims 1, 2, 4, 10, 11, 12, 15, 16, 17 and 18 does not disclose to receive an authorization response, and generate a fourth message indicating the authorization status of the financial transaction. However, in the filed of same endeavor, Weber teaches to receive an authorization response, and generate a fourth message indicating the authorization status of the financial transaction (see at least col. 14, line 64-col. 15, line 6, "...This enables the merchant to perform payment authorization and payment capture. Payment authorization is the process by which permission is granted by a payment gateway operating on behalf of a financial institution to authorize payment.....This is a process thatconfirms a given transaction does not raise the account holder's debtPayment capture is the process that triggers the movement of funds". Note: granting of permission to authorization request corresponds to receiving an authorization response and payment capture to trigger the movement of funds corresponds to generating a fourth message indicating the status of the financial transaction). In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen in view of Weber as applied to claims 1, 2, 4, 10, 11, 12, 15, 16, 17 and 18 to incorporate the feature of receiving an authorization response, and generating a fourth message indicating the authorization status of the financial transaction for the obvious reason of completing the financial transaction initiated by the user irrespective of the fact if the permission is granted or not. If permission is granted the financial transaction would be consummated and if not it would be voided.

5. Claims 14, 28, 42, 54, 55, 56, 57, and 59 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ronen in view of Weber as applied to claim 13 above, and further in view of Elgamal.

Regarding claim 14, Ronen in view of Weber as applied to claim 13 discloses an apparatus for processing financial transactions and settling a financial transaction based on the stored part of the transaction information. Ronen does not disclose that the processor generates the fourth message at a designated time. However, Elgamal, in the field of same endeavor of conducting financial transactions online, teaches to generate the fourth message at a designated time (col. 12, lines 10-61, "...At the end of a pre specified period of time[daily for example], the PG pays the merchant for the aggregate amount from all transactions completed..."). In view of Elgamal, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ronen in view of Weber as applied to claim 13 to incorporate the feature of settling the financial transaction by generating a message at a designated time. Doing so enables the system to provide the ability to pay for several small payments, like the ones of \$0.50 in one aggregated transaction and thereby making the network system efficient and economical.

Regarding method claim 28, the limitations correspond to the intended functions of the system claim 14 and is therefore analyzed and rejected as unpatentable over Ronen in view of Weber and further in view of Elgamal on the basis of same rationale.

Regarding claim 42, its limitations are directed to a set of logic encoded in media for processing financial transactions, the logic operable to perform the operations which correspond to the intended functions of the method claim 28 and is therefore analyzed and rejected as unpatentable over Ronen in view of Weber on the basis of same rationale.

Regarding claim 54, its limitations are already covered and analyzed in claim 14 above and is therefore analyzed and rejected as unpatentable over Ronen in view of Weber on the basis of same rationale.

Regarding claim 55, Ronen in view of Weber as applied to claim 12 discloses an apparatus for processing financial transactions, storing part of transactional information for each of a plurality of transactions involving micro-payments. The limitations recited in claim 55 are already covered and analyzed in claims 10 and 14 above and therefore claim 55 is rejected as unpatentable over Ronen in view of Weber and further in view of Elgamal based on same rationale.

Regarding claims 56, 57, and 59, their limitations are already covered and analyzed in claim 56 above and are therefore rejected as unpatentable over Ronen in view of Weber and further in view of Elgamal on the basis of same rationale.

(11) Response to Argument

(11.1) I. Claims 1, 2, 4-6, 8-46, 48, 50, and 52-59 are Clearly Patentable over the proposed Ronen-Weber Combinations.

The Applicant's arguments are primarily directed to independent claim 1 and so will be the Examiner's response keeping in line with the guidelines stated in MPEP –1206- Appeal Brief Content (7) Grouping of Claims: Quote: " *For each ground of rejection which appellant contests and which applies to a group of two or more claims, the Board shall select a single claim from the group and shall decide the appeal as to the ground of rejection on the basis of that claim alone, unless a statement is included that the claims of the group do not stand or fall together and, in the argument section of the brief (37 CFR 1.192(c)(8)), appellant explains why the claims of the group are believed to be separately patentable.....*". Unquote.

The Applicant argues that Ronen and Weber combined fails to disclose, teach, or suggest following limitations recited in claim 1, that is " *determine whether the financial transaction involves a micro-payment,*" and "*generate a third message indicating authorization of the financial transaction if the financial transaction involves a micropayment* " (see Appeal brief, page 12, lines 18-23) based upon the analysis that the charges for information services in Ronen are not equivalent to the Applicant's micro-payments (see Appeal brief, page 10, line 30-page 11, line 29). The Examiner respectfully disagrees. It was demonstrated in

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the Final office action, see page 5, line 13-page 6, line 6 that Ronen (see col. 4, lines 6-60, Table 1, Table 2 and col.6, lines 20-29) does suggest making a determination if the financial transaction involves a micro-payment and after making this determination generates a third message indicating authorization of the financial transaction.

The Examiner invites attention to col. 4, lines 6-60, Table 1 and Table 2 in the Ronen patent:

"In establishing the billing mechanism the user interacts with the transaction server 109, which acts as a broker for the billing server 111. Specifically, the user provides his or her selected choices for how charges for transactions on the Internet are to be billed. These choices may include a specific credit card, an account associated with a telephone number, or a debit account to be billed. In addition, the user may specify that certain transactions, depending upon the type of transaction, be billed in a specific manner. Charges for transactions of a certain type for less than a predetermined amount may be designated for billing to an identified telephone account associated with the user. Table 1 shows an example of such a record.

TABLE 1 information services Telephone Account 201-555-1234 "

The charges for transactions for less than a predetermined amount, for example a charge of \$0.50 for a stock report from Dow Jones (see Ronen, Table 2 on page 5) is determined to be a certain amount less than a threshold amount to be billed to the user's telephone account. This amount of \$0.50 which is defined based on a predetermined threshold is billed in a specific manner which is different from the other type of billings which involve larger amounts like tangible goods > \$ 40.00 are billed to Master account, tangible goods < or = are billed to Chase Debit Account and so on. Therefore, in Ronen, the "*Charges for transactions of a certain type for less than a predetermined amount may be designated for billing to an identified telephone account associated with the user*" are equivalent to micro payments when compared with other

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billing amounts. This analysis is also consistent with the Applicant's consideration of micro-payments, see specification, page 9, lines 3-16,

" In general, whether a financial transaction involves a micro-payment could be based on a variety of factors, such as, for example, the amount of the financial transaction, In a particular embodiment, a micro-payment is defined only in terms of the amount of the financial transaction; thus, if the amount of the financial transaction is below a certain threshold, for example, five dollars, the financial transaction involves a micro-payment. Note, each merchant that is serviced by transaction controller 40 may have a different set of rules for determining whether a financial transaction involves a micro-payment because the agreement between each merchant and their particular financial institution may differ. "

From the Applicant's disclosure, as cited above, it is evident that there is no fixed or a unique definition for micro payments but they can be decided at random by framing rules as per the convenience of the participants, such as considering payments under five dollars as micro-payments or merchants may make their own rules to determine if a financial transaction involves a micro-payment. Therefore, the basis used in Ronen, as analyzed above, also falls within the range of the Applicant's invention.

Further, Ronen's disclosure of charging and billing the user to his telephone account number against the financial transaction of downloading a Dow Jones stock report 's (see Table 2, page 5) explicitly or implicitly indicates generating a message indicating authorization of the financial transaction to the user's telephone account number if the financial transaction involves a micro-payment. The very fact that the user is billed is indicative of authorization of the financial transaction. If the financial authorization is not authorized then the act of billing would not occur. Regarding the fact that Ronen stores all the records of transactions for future use and generates message indicating authorization of the financial transaction to the user's telephone account number also refer to col.6, lines 12-51 and col.4, lines 63-67.

The Examiner observes that the appellant has not discussed or provided arguments against the segments of Ronen's patent, col.4, lines 33-36, "***Charges for transactions of a certain type for less than a predetermined amount may be designated for billing to an identified telephone account associated with the user.***

.... " particularly referred to in the Final Office action on page 5, lines 21-23 to show that a determination is made if the financial transaction involves a micro-payment.

In response to the Applicant's arguments directed to Ronen's billing mechanism (see Appeal Brief, page 8, lines 13-31, page 10, line 30-page 11, line 29), the fact that Applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious, as analyzed above. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

In response to the Applicant's arguments directed to Weber (see Appeal Brief, page 9, lines 1-13, and page 12, lines 1-17) that it does not make up for the deficiency in Ronen because it does not disclose a system that handles authorization of a transaction differently based upon a micro-payment transaction is not relevant to the Final Office action. The Ronen patent itself teaches the limitations " *determine whether the financial transaction involves a micro-payment,*" and "*generate a third message indicating authorization of the financial transaction if the financial transaction involves a micro-payment* " , as analyzed above and demonstrated in the Final office action on page 5, line 13-page 6, line 6, The Examiner did not use the Weber patent for the limitations at issue and raised by the applicant. The Examiner combined Weber reference with Ronen to overcome the

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deficiency for generating an authorization request if the financial transaction does not involve a micro-payment which corresponds to the last limitation of claim 1 and which as per the Appeal brief (see page 12, lines 18-23, "*.. For at least these reasons, Applicant submits that neither Ronen, Weber, nor their combination disclose, teach, or suggest a processor operable to "determine whether the financial transaction involves a micro-payment," and "generate a third message indicating authorization of the financial transaction if the financial transaction involves a micro-payment "*, as recited in Applicant's Claim 1. Accordingly, Applicant respectfully requests reconsideration and allowance of Claim 1. ") is not the issue to be argued against.

With reference to the Appellant's arguments concerning other independent claims 19, 33, and 48 and dependent claims 2, 4-6, 8-18, 20-46, 50, 52-59 (see Appeal brief page 12, line 24-page 13, line 2 are not persuasive for the same reasons as analyzed for claim 1 above.

In response to Applicant's argument that the references fail to show certain features of Applicant's invention, it is noted that the features upon which Applicant relies (i.e., independent claim 1 recites an invention process which handles authorization of a transaction differently based upon whether a micro-payment is involved, see Appeal brief page 12, lines 24-26 and page 14, lines 8-12) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Claim 1 recites that a determination is made if the financial transaction involves a micro-payment and having made that determination the system stores the information for future use and generates a message indicating authorization of the financial transaction. Claim 1 does not recite

that the authorization process is handled differently and how differently in comparison to some standard or another existing authorization process.

(11.2)

2.

The proposed combination of references is improper.

The Applicant argues that combination of Ronen and Weber references is improper because:

(a) the possibility that mere teachings of one reference that is Weber might improve the teachings of another reference Ronen does not provide the suggestion or motivation to combine them (see page 13, lines 16-20) and

(b) the Examiner's statement of motivation to combine the Ronen and Weber references, that is,

" In view of Weber, it would have been obvious to a person of an ordinary skill in the art at the time of the Applicant's invention to have modified Ronen to incorporate the feature of generating an authorization request if the financial transactions are for larger payments through credit and debit cards [larger than micro-payments which are a couple of dollars and/or cents as per a pre-defined threshold corresponding to the charges for information services in Ronen]. Doing so enables to assess the transaction risk and confirm that the payment involved in a financial transaction does not raise the account holder's debt above the account card's limit or an existing balance debit card payments and save the financial institutions from incurring losses ",

on page 7 of the Final Office action is a mere speculation because this is not supported by any teaching or suggestion, or motivation in Ronen, Weber, or

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knowledge generally available to those of ordinary skill in the art at the time of Appellant's invention.

The Examiner respectfully disagrees with the appellant's opinion for following reasons:

In order to establish a prima facie case of obviousness it is not necessary that a reference actually suggests changes or possible improvements which Applicant made, see *In re Sheckler*, 168 USPQ 716 (CCPA 1971). The Examiner can satisfy the burden under section 103 to establish a prima facie case of obviousness by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references, see *In re Fine*, 5 USPQ2d 1596 (CA FC 1988) and *Merck & Co. Inc. v. Biocraft Laboratories Inc.*, 10 USPQ2d 1843 (CA FC 1989). While there must be some suggestion or motivation for one of ordinary skill in the art to combine the teachings of references, it is not necessary that such be found within the references themselves; a conclusion of obviousness may be made from common knowledge and common senses of the person of an ordinary skill in the art without any specific hint or suggestion in a particular reference. See *In re Bozek*, 163 USPQ 545 (CCPA 1969).

The motivation, reproduced from the Final office action above, to combine Ronen and Weber is not a mere speculation but a genuine need as would be obvious to one of an ordinary skill in the art to eliminate risk of financial losses by ensuring that the transaction amount can be collected from the user's credit/debit card account, which in fact is explicitly suggested in Weber, see col.14, line 54-col.15, line 6. Quote,

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" Among the messages communicated by customer computer system 120 to merchant computer system 130 may be messages that specify goods or services to be ordered and payment information, such as a credit card number and related information, collectively referred to as "payment information," that may be used to pay for the goods and/or services ordered. In order to obtain payment, the merchant must supply this information to the bank or other payment gateway responsible for the proffered payment method. This enables the merchant to perform payment authorization and payment capture. Payment authorization is the process by which permission is granted by a payment gateway operating on behalf of a financial institution to authorize payment on behalf of the financial institution. This is a process that assesses transaction risk, confirms that a given transaction does not raise the account holder's debt above the account's credit limit, and reserves the specified amount of credit. Payment capture is the process that triggers the movement of funds from the financial institution to the merchant's account after settlement of the account. ". Unquote.

The Examiner acknowledged in the Final office action on page 6, lines 7-24 regarding the claimed limitation of claim 1, " generate an authorization request if the financial transaction does not involve a micro-payment ", that though Ronen disclosed using credit/debit cards to make higher denomination payments for financial transactions, did not explicitly disclose generating an authorization request. The Examiner cited the Weber patent, in the Final office action, teaching to generate an authorization request if the financial transaction does not involve a micro-payment. The Examiner further rightly inferred that in view of Weber it would have been obvious to one of an ordinary skill in the art at the time of the Applicant's invention to have modified Ronen to incorporate the Weber's teachings of generating an authorization request for reasons of motivation given on page 7 in the Final office action and which are explicitly suggested in Weber, as analyzed above.

The Applicant further argues that even if Ronen-Weber combination is proper [which in fact is proper as analyzed in the foregoing] neither of the references discloses handling authorization of a transaction differently based upon whether a micro-payment is involved (see Appeal brief page 14, lines 6-18). In response to Applicant's

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argument that the references fail to show certain features of Applicant's invention, it is noted that the features upon which Applicant relies (i.e., independent claim 1 recites an invention process which handles authorization of a transaction differently based upon whether a micro-payment is involved) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Claim 1 recites that a determination is made if the financial transaction involves a micro-payment and having made that determination the system stores the information for future use and generates a message indicating authorization of the financial transaction. Claim 1 does not recite that the authorization process is handled differently and how differently in comparison to some standard or another existing authorization process.

(11.3) 3. The Examiner has used improper hindsight reconstruction.

The Examiner observes that the Applicant has made a conclusive statement by merely alleging that the Examiner simply relies upon hindsight to combine the references of Ronen and Weber to reconstruct his invention (see Appeal brief, page 14, line 18-page 15, line 3). The Applicant has not pointed out any errors in the Examiner's rejection of claim 1 on pages 4-7 of the Final office action or provided an evidence against the Examiner's reasoning. If however, the Applicant's reasons for

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hindsight allegation are the same as pointed out on pages 10-14 in Appeal brief , then they are not persuasive for the same reasons as analyzed above in paragraphs in (11.1) and (11.2).

Further, the guidance provided to us by our reviewing court for evaluating the issue of obviousness is as follows: It must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the Applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). In the instant case, since the combined references of Ronen and Weber disclose, as a whole, all the limitations of claim 1 as shown on pages 4-7 in Final office action and that the combination of the references Ronen and Weber is proper as analyzed above in paragraphs in (11.1) and (11.2) the examiner has rightly established the prima facie case of obviousness of the invention recited in claim 1 in view of combined references of Ronen and Weber without using knowledge from the Applicant's disclosure.

For the above reasons, it is believed that the rejections of claim 1 and hence the rejection of all the claims 1, 2, 4-6, 8-46, 48, 50 and 52-59 should be sustained.

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Respectfully submitted,



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Art Unit 3625



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